

FINANCE, GOVERNANCE, & AUDIT COMMITTEE MINUTES
October 24, 2024

The Finance, Governance, and Audit Committee of the JEA Board met at 12:00 pm on Thursday, October 24, 2024 on the 7th Floor, 225 North Pearl Street, Jacksonville, Florida. The meeting was properly noticed, and the public was invited to attend this meeting in-person at the physical location and virtually.

WELCOME

Meeting Called to Order – Committee Chair Bobby Stein called the meeting to order at 12:00 pm. Attending the meeting in person was committee member Kwanza Humphrey. Committee member MG Orender attended virtually. Board member General Joseph DiSalvo also attended in person.

Others in attendance were Vickie Cavey, Interim Managing Director/CEO; Sheila Pressley, Chief Customer Experience Officer; Ted Phillips, Chief Financial Officer; Jody Brooks, Chief Administrative Officer; Kurt Wilson, Chief of Staff; Brad Krol, Chief Information Officer; Regina Ross, Chief Legal Officer, Office of General Counsel; Joe Orfano, Deputy Chief Financial Officer; Sheree Brown, Executive Assistant to the CEO; and Melissa Dalton, Manager, Board Services.

Adoption of the Agenda – On *motion* by Ms. Humphrey and seconded by Mr. Orender, the agenda was approved.

Adoption of the Minutes – On *motion* by Mr. Orender and seconded by Ms. Humphrey, the August 20, 2024 Finance, Governance, and Audit Committee meeting minutes were approved.

Safety Briefing – Jody Brooks, Chief Administrative Officer, provided a safety briefing.

Comments from the Public – There were no public comments.

FOR COMMITTEE CONSIDERATION

DELIVERING BUSINESS EXCELLENCE

Quarterly Financial Review – Ted Phillips, Chief Financial Officer, provided an overview on the electric and water system revenue and expenditures; cost per MWh; base revenues; operating expenses; electric and water system O&M, capital budget, and cash and investments; and financial metrics. This presentation was received for information.

Intergovernmental Support Agreement (IGSA) – Ted Phillips, Chief Financial Officer, provided background information on IGSA's; review of the Naval Station Mayport and Naval Air Station Jacksonville request to explore a 10-year partnership with respect to utility O&M; proposed terms to include compensation on time and materials, the ability to modify the agreement, and rights to terminate the agreement with a 60-day written notice.

On *motion* by Mr. Orender and seconded by Ms. Humphrey, the committee unanimously approved to recommend the Intergovernmental Support Agreement to the Board for approval.

Real Estate Procurement Directive Revisions – Jordan Pope, Director, Administrative Services, provided background information on the Directive noting it is required by Article 21 of the Charter and was last reviewed by the Board in August 2023; provided a review of the requested edits to include updates made to ensure consistency with the JEA Charter, procedural updates to ensure

operational clarity and revised the declaration of surplus property approval levels for consistency with acquisitions.

On *motion* by Ms. Humphrey and seconded by Mr. Orender the committee unanimously approved to recommend the Real Estate Procurement Directive revisions to the Board for approval.

Riverfront Plaza Cost Participant Agreement – Jordan Pope, Director, Administrative Services, provided background information on the agreement between the City of Jacksonville, Downtown Investment Authority (DIA), and JEA to secure easements for existing JEA infrastructure at Riverfront Plaza; reviewed the estimated cost, as well as the request from the DIA for JEA to cost participate in a 50/50 split agreement.

On *motion* by Ms. Humphrey and seconded by Mr. Orender the committee unanimously approved to recommend the Riverfront Plaza Cost Participant Agreement to the Board for approval.

Committee Chair Stein recessed the meeting 1:06 pm and called the meeting back to order at 1:12 pm.

FY24 Internal Audit Results – Lee Montanez, Director, Audit Services, provided highlights of the FY24 internal audit plan year-end status to include the completed audits and engagements; in-process audits and engagements; cancelled or carryforward audits; and the open and closed audit report observations. This presentation was received for information.

Quality Assurance Review Results – Julie Moore, Program Manager, Internal Audit, provided highlights on the external quality assurance results to include positive practices; opportunities to improve conformity with the Institute of Internal Auditors standards; suggestions for Internal Audit consideration; and the 2024 Global Internal Audit standard to include updating the Internal Audit Charter. Additionally, Mr. Montanez provided an update on the Internal Audit strategy; and an overview of the Enterprise Risk Management roadmap. This presentation was received for information.

FY25 Internal Audit Plan – Rashid Brittain, Program Manager, Internal Audit, reviewed the FY25 Audit Plan process, timeline, and the proposed FY25 audit plan summary.

On *motion* by Ms. Humphrey and seconded by Mr. Orender, the committee unanimously approved to recommend the FY25 Internal Audit Plan to the Board for approval.

Board By-Laws and Policy Manual – Regina Ross, Chief Legal Officer, Office of General Counsel, provided the Board with a review of the revisions made to the 2021 Board-By-Laws and Policy Manual and noted that staff would bring this item back to the Committee and Board on an annual basis for review. Committee Chair Stein expressed his gratitude to all involved for their hard work.

On *motion* by Mr. Orender and seconded by Ms. Humphrey, the committee unanimously approved to recommend the Board By-Laws and Policy Manual to the Board for approval.

Annual Board of Directors Evaluation – Jody Brooks, Chief Administrative Officer, noted this year's evaluation will be based on the criteria as outlined in the Board Policy Manual; the Board will receive the electronic evaluation after the Board meeting on October 29, 2024, and the results will be provided to the Board at the January 28, 2025 meeting. This presentation was received for information.

CLOSING CONSIDERATIONS

Old and Other New Business/Open Discussion – Committee Chair Stein thanked Mr. Phillips and his team for their hard work.

Announcements – None

Adjournment – With no further business coming before the Committee, Chair Stein declared the meeting adjourned at 1:53 pm.

APPROVED BY:



Bobby Stein, Committee Chair

Date: _____

Submitted by:



Allison S Hickok
Executive Staff Assistant